

CLAIMS

What is claimed is:

1. (original) A method for providing bond or guaranty coverage, the method comprising the steps of: providing an online site having a server operable to receive a bond or guaranty request; receiving from a first entity a bond or guaranty request; issuing a bond or guaranty in response to bond or guaranty request; and generating a unique identifier suitable to display on a computer network evidencing to a second entity that a bond or guaranty is in effect with respect to transactions involving a first entity.
2. (original) The online method described in claim 1, comprising the further step of: activating the bond or guaranty coverage upon receipt of a request for coverage from a second entity.
3. (original) The online method as described in claim 1, comprising the further steps of: receiving registration information from a first entity; and registering the first entity in a Registered User Database.
4. (original) The online method as described in claim 3, comprising the further steps of: providing a communication to a first entity confirming registration; providing a secure code to the first entity; receiving the secure code back from the first entity; and confirming registration by matching the secure code received from the first entity with the secure code provided to the first entity.
5. (original) The online method as described in claim 1,

wherein the step of generating a unique identifier comprises further the step of: posting the unique identifier to a computer network site displaying transactions involving the first entity.

6. (original) The online method as described in claim 5, wherein the step of posting the unique identifier comprises: posting the unique identifier to an online auction site displaying the first entity's auction listing, the unique identifier evidencing that the auction listing is covered by a bond or guaranty.

7. (original) The online method as described in claim 6, wherein the step of posting a unique identifier comprises applying a gif or jpg image to the first entity's auction listing.

8. (original) The online method as described in claim 2, wherein the step of activating the bond or guaranty coverage comprises the steps of: providing a link between the unique identifier and the online site; receiving a coverage request from the second entity; and providing a confirmation of coverage in response to the submitted coverage request.

9. (original) The online method as described in claim 8, wherein the step of receiving a coverage request further comprises the steps of: entering the coverage request into an Activations Database; and activating the bond or guaranty coverage.

10. (original) The online method as described in claim 1, comprising the further step of: processing a bond or guaranty request, the processing step comprising: creating a record of request in an Applications Database; and reviewing

the bond or guaranty request to assign a risk worthiness level based on a credit rating for the first entity.

11. (original) The online method as described in claim 10, wherein the step of processing a bond or guaranty request further comprises the steps of: evaluating a request using an Automated Bond or Guaranty Application Review Process, the Review Process comprising the steps of: determining whether a request is complete; and evaluating a request for information that requires rejection of the request.

12. (original) The online method as described in claim 10, wherein the step of reviewing the bond request to assign a risk worthiness level further comprises assigning a risk exposure level based on bond or guaranty coverage value being requested and/or the characteristic of the transaction for which coverage is requested.

13. (original) The online method as described in claim 1, wherein the step of generating a unique identifier further comprises the step of: generating a Bond Margin Gauge, the Bond Margin Gauge corresponding to the difference between the bond or guaranty coverage limit and a value assigned to the transactions involving a first entity.

14. (original) The online method as described in claim 13, wherein the step of generating a Bond Margin Gauge further comprises: posting the Bond Margin Gauge on an online auction site, the Bond Margin Gauge providing a value equal to the difference between the first entity's bond or guaranty coverage limit and the sum total for the high bid in each of the first entity's auction listings that are presently open.

15. (original) The online method as described in claim 1, comprising the further steps of: providing a link between the unique identifier and the online site; and displaying on the online site a verification page indicating that the first entity has bond or guaranty coverage.

16. (currently amended) ~~An online method to enable a first entity to serve as surety for a second entity, the method comprising the steps of: providing an online site having a server operable to receive a bond request; receiving a bond request; conducting a preauthorization of a charge to a specified account; issuing a bond, wherein the first entity serves as a surety; and conducting a re-preauthorization of a charge to a specified account after the occurrence or nonoccurrence of a specified condition and/or a period of time has passed.~~ A method of guarding against default in Internet auction transactions, said method comprising the following steps:

(a) providing a server operable to host an Internet auction and to register users;

(b) maintaining an electronic database, said database comprising a first record pertaining to the behavior of a first entity in a first Internet auction transaction, said first record indicating that said first entity's behavior in said first Internet auction transaction was acceptable or not acceptable; and

(c) performing an evaluation of whether to bond said first entity or to guarantee a second Internet auction transaction, wherein:

said evaluation is made with reference to said first record such that the likelihood of bonding said first entity or guaranteeing said second Internet auction transaction is increased or decreased according to whether said first record indicates that the behavior of said first entity in

said first Internet auction was acceptable or unacceptable.

17. (currently amended) ~~The online method described in claim 16, comprising the further step charging payment to the specified account to renew the bond following expiration of the bond.~~ The method in claim 16 additionally comprising the following step:

(d) providing an electronic form by which a second entity may submit data to be included in said first record, said second entity being a party to said first Internet auction transaction.

18. (currently amended) ~~The online method described in claim 17, comprising the further step of: generating an unique identifier suitable to display on a computer network evidencing to a third entity that a bond is in effect with respect to transactions involving a second entity, wherein the first entity serves as a surety.~~ The method in claim 17 wherein said first record comprises at least one factor to be used in producing a rating number wherein:
said rating number may be compared against a threshold number such that a third entity will not bond said first entity or guarantee said second Internet auction transaction unless said rating number is not less than said threshold number.

19. (currently amended) ~~The online method described in claim 16, comprising the further step of: activating the bond or guaranty coverage upon receipt of a request for coverage from a third entity.~~ The method in claim 18 wherein at least one of the following is true:
said first entity is a seller;

said second entity is a bidder;
said third entity is an electronic payment service provider
or an Internet auction site provider;
said form by which a second entity may create or submit
information for inclusion in said first record is a Bond or
Guaranty Claim Process;
said threshold number is a Risk Exposure Level; and/or
said rating number is a Risk Worthiness Level.

20. . (currently amended) ~~The online method described in~~
~~claim 18, comprising the further step of: activating the~~
~~bond or guaranty coverage upon receipt of a request for~~
~~coverage from a third entity. The method in claim 16~~
additionally comprising the following step:
(d) displaying a credibility number proximate to the User ID
of said first entity in a first document, wherein:
said first document is suitable for display by a web browser
and comprises information pertaining to an Internet auction
transaction; and
said credibility number indicates either said first entity's
bond margin or said first entity's feedback rating.

21. (currently amended) ~~The online method as described in~~
~~claim 17, comprising the further step of: communicating a~~
~~suspension notice to the first entity if the bond renewal is~~
~~unsuccessful. A method for reducing the risk of non-payment~~
by Internet auction bidders, said method comprising the
following steps:
(a) providing a server through which a first Internet
auction may be conducted;
(b) submitting a first source of funds prior to the close of
said first Internet auction, said first source of funds
being associated with a first bidder;

(c) submitting electronic funds transfer information pertaining to a first receiving account prior to the close of said first Internet auction, said first receiving account being associated with a first seller;
(d) comparing the funds available through said first source of funds to a threshold number;
(e) finding that the funds available through said first source of funds are not less than said threshold number; and
(f) causing two events to occur essentially simultaneously, said two events being (i) the closure of said first Internet auction and (ii) the processing of payment for said first Internet auction.

22. (original) An online method for providing online bond or guaranty coverage, the method comprising the steps of: providing an online site having a server operable to receive a bond or guaranty request; issuing a bond or guaranty to a first entity in response to a bond or guaranty request; generating a unique identifier suitable to display on a computer network evidencing to a second entity that a bond or guaranty is in effect with respect to transactions involving a first entity; and receiving a claim from the second entity in response to a first entity default.

23. (original) The online method described in claim 22, comprising the further step of: activating the bond or guaranty coverage upon receipt of a request for coverage from a second entity.

24. (original) The online method as described in claim 22, comprising the further steps of: entering the claim into a Claims Database; and paying claim to the second entity.

25. (original) The online method as described in claim 22,

comprising the further steps of: providing a link between the unique identifier and the online site; and providing a location on the online site for the input of coverage request information.

26. (original) The online method as described in claim 23, comprising the further step of: providing a confirmation of coverage to a second entity upon activation of coverage.

27. (original) The online method as described in claim 24, wherein the step of paying the claim to the second entity comprises: receiving claim information from a second entity; creating record of claim information in a Claims Database; evaluating claim information; and providing a claim payment to the second entity.

28. (original) The online method as described in claim 27, wherein the step of evaluating the claim information comprises the further step of: assessing claim information provided by second entity to determine whether the second entity owes any financial obligations to the online site.

29. (original) The online method as described in claim 22, comprising the further step of: notifying first entity of a second entity claim; providing a claim dispute process for first entity, the claim dispute process comprising: requesting information from the first entity that supports dispute; receiving information from the second entity to rebut the first entity's information; upholding or striking claim in response to information provided by the first and/or second entity.

30. (original) An online method for providing online bond or guaranty coverage, the method comprising the steps of:

providing an online site having a server operable to receive a bond request; receiving a bond request for an online buyer; registering the online buyer with the online site; providing the online buyer with the ability to select a standard bond or a preferred bond; and issuing a bond in response to the bond request by the online buyer.

31. (original) The online method described in claim 30, comprising the further steps of: accepting payment for the standard or preferred bond; and providing an online seller with payment in the event of a default by the online buyer.

32. (original) An online method for providing online bond or guaranty coverage, the method comprising the steps of: providing an online site having a server operable to receive a bond or guaranty request; receiving a bond or guaranty request from a first entity; processing the bond or guaranty request; issuing a bond or guaranty to the first entity in response to the bond request; displaying an unique identifier to an online auction site carrying the first entity's auction listing, the unique identifier evidencing that the first entity's auction listing is covered by a bond.

33. (original) The online method described in claim 32, comprising the further step of: activating the bond or guaranty coverage upon receipt of a request for coverage.

34. (original) The online method as described in claim 32, comprising the further step of: providing an HTML code to the first entity for the unique identifier.

35. (original) The online method as described in claim 32, comprising the further step of: receiving a URL for each Web

page the unique identifier is to be displayed on before providing an HTML code to the first entity for the unique identifier.

36. (original) The online method as described in claim 32, wherein the step of processing a bond request comprises further the step of: creating a record of request in an Applications Database.

37. (original) An online method for providing online bond or guaranty coverage, the method comprising the steps of: providing an online site having a server operable to receive a bond or guaranty request; receiving from a first entity a bond or guaranty request; issuing a bond or guaranty in response to bond or guaranty request; and generating a unique identifier suitable to display on a computer network evidencing to a second entity that a bond or guaranty is in effect with respect to transactions involving a third entity.

38. (original) The online method described in claim 37, wherein a first entity and third entity are the same entity.

39. (original) The online method described in claim 37, comprising the further step of: activating the bond or guaranty coverage upon receipt of a request for coverage from a second entity.

40. (original) The online method as described in claim 37, comprising the further step of: processing a bond request received from the first entity, the processing step comprising: creating a record of request in an Applications Database; and reviewing the bond request to assign risk

worthiness level based on a credit rating for a third entity.

41. (original) The online method as described in claim 37, wherein the step of generating a unique identifier further comprises the step of: generating a Bond Margin Gauge, the Bond Margin Gauge corresponding to the difference between the bond or guaranty coverage limit and a value assigned to the transactions involving the third entity.

42. (original) The online method as described in claim 41, wherein the step of generating a Bond Margin Gauge further comprises: posting the Bond Margin Gauge on an online auction site, the Bond Margin Gauge providing a value equal to the difference between the first entity's bond or guaranty coverage limit and the sum total for the high bid in each of the third entity's auction listings that are presently open.

43. (original) The online method as described in claim 41, wherein the step of generating a Bond Margin Gauge further comprises: posting the Bond Margin Gauge on an online auction site, the Bond Margin Gauge providing a value equal to the difference between the first entity's bond or guaranty coverage limit and the sum of the sum total of the high bids in each of the third entity's auction listings that are open and the sum total of the winning bids in each of the third entity's auction listings that have closed, but for which the period during which a claim can be filed has not closed.

44. (original) The online method as described in claim 13, wherein the step of generating a Bond Margin Gauge further comprises: posting the Bond Margin Gauge on an online

auction site, the Bond Margin Gauge providing a value equal to the difference between the first entity's bond or guaranty coverage limit and the sum of the sum total of the high bids in each of the first entity's auction listings that are open and the sum total of the winning bids in each of the first entity's auction listings that have closed, but for which the period during which a claim can be filed has not closed.

45. (original) The online method as described in claim 10, comprising the further step of: adjusting bond coverage based upon changes in the assigned Risk Worthiness Level.

46. (original) The online method as described in claim 1, comprising the further step of: processing the first entity's guaranty request, the processing step comprising: creating a record of request in an Applications Database; and reviewing the guaranty request to assign risk worthiness level based on first entity's experience or credit rating.

47. (original) The online method as described in claim 11, wherein the step of evaluating the request using an Automated Bond or Guaranty Application Review Process comprises the further steps of: creating a Flagged Database containing information on a given entity that warrants rejection of a bond or guaranty request by that entity; and comparing request information input by the first entity to the information stored in the Flagged Database.

48. (original) The online method as described in claim 1, comprising the further step of: providing an Experience Rating for the first entity having a value that indicates the level of bond or guaranty issuance to the first entity that does not result in claims by a buyer.

49. (original) The online method as described in claim 1, comprising the further steps of: receiving claim request against the first entity from the second entity; evaluating claim request against first entity; and paying claim to second entity.

50. (original) The online method as described in claim 49, comprising the further step of entering claim request into a Claims Database.

51. (original) A method for displaying on an online auction site the coverage limit remaining a given bond or guaranty, the method comprising the steps of: generating a Bond Margin Gauge, the Bond Margin Gauge corresponding to the difference between the bond or guaranty coverage limit and a value assigned to the transactions involving a first entity on an online auction site, and displaying the Bond Margin Gauge on an online auction site.

52. (original) The online method as described in claim 51, wherein the step of generating a Bond Margin Gauge a Bond Margin Gauge providing a value equal to the difference between the first entity's bond or guaranty coverage limit and the sum total for the high bid in each of the first entity's auction listings that are presently open.

53. (original) The online method as described in claim 51, wherein the step of generating a Bond Margin Gauge comprises a Bond Margin Gauge providing a value equal to the difference between the first entity's bond or guaranty coverage limit and the sum of the sum total of the high bids in each of the first entity's auction listings that are open and the sum total of the winning bids in each of the first

entity's auction listings that have closed, but for which the period during which a claim can be filed has not closed.

54. (original) A method for conducting an internet auction having the auction bonded through the auction site, the method comprising the steps of: providing a first server operable to host an online auction, the server in communication with a first database having information relating to whether bonds are in effect; and displaying an image in an area on the online auction under exclusive control of operator of the first server, the image evidencing that at least one of the parties to the auction is bonded.

55. (original) The method described in claim 54, comprising further the step of: providing an informational link between the first database and a second database, whereby the information in the two databases is continually updated to mirror each other.

56. (original) A method for conducting an online auction, the method comprising the steps of: providing a server configured to host an online auction; providing a deposit account into which a first entity can make a deposit of funds; receiving electronic funds transfer information for a second entity; and after an auction has closed, transferring funds from the deposit account of a first entity to an account specified by a second entity using electronic funds transfer information provided by the second entity.

57 . (currently amended) ~~A method of collateralizing a credit card, the method comprising the steps of: receiving credit account information from a first entity; conducting a~~

~~preauthorization of a charge to a user's account; after an occurrence or nonoccurrence of a specified condition and/or a period of time has passed, voiding the preauthorization and conducting a re-preauthorization of a charge to the same user's account.~~ The method in claim 21 wherein at least one of the following is true:

said source of funds is a credit card account or a deposit account;

said threshold number comprises a price for the item listed in said first Internet auction; and

said processing of payment further comprises electronically transferring funds to said first receiving account.

58. (original) A system to enable online purchasing by a principal of a surety bond, the system comprising: a server computer in communication with a client computer, the server computer operable to receive bond or guaranty request from a client computer; a server computer program operable to process, evaluate and approve a bond or guaranty request, wherein a bond or guaranty request is approved and made legally binding without human review of the request.

59. (original) A method for preventing the piracy of an online image, the method comprising the steps of: generating a first image for display at a specified image address, the first image displaying a first expiration date; generating a second image that is different than the first image, the second image displaying a second expiration date; replacing the first image with the second image, so that the second image displays the second expiration date at the specified image address.

60. (original) A system for bonding an auction listing on an online auction site, the system comprising: a server

operable to host an online auction site, the server being connected by a computer network to a client computer, the server operable to receive bond or guaranty request information from the client computer; a database connected to the server, the database adapted to receive bond or guaranty request information; a first computer program operable to process bond or guaranty request information; and an unique identifier displayed by the server indicating the existence of bond or guaranty coverage for a given auction listing.

61. (original) The system claimed in claim 60, wherein the unique identifier appears in HTML pages served by the server computer.

62. (original) A method for providing a surety bond to an Internet auction user, the method comprising the steps of: providing a server operable to receive a bond application; assigning at least one value to the bond application, the value being based upon information provided in the bond application; issuing a provisional bond when the value meets a predetermined threshold; and after the issuance of a provisional bond, issuing a formal bond following manual review of the bond application.

63. (original) A method for conducting an Internet auction, the method comprising the steps of: providing a server operable to host an Internet auction; providing a database adapted to retain information relating to bonding of users of an Internet auction site; discounting the closing price of the auction when the winning bidder in the auction is bonded.

64. (original) A method for providing electronic payment

services to users of an Internet auction site, the method comprising the steps of: providing a server operable to receive a first entity's auction site user account information; providing the first entity with a deposit account uniquely related to the first entity's auction site user account; providing a server operable to receive second entity's auction site user account information; retaining electronic funds transfer information that is uniquely related to the second entity's auction site user account; providing a server configured to receive information indicating that an Internet auction has closed; and providing a computer program that electronically transfers funds from the first entity deposit account to the second entity after an auction has closed and the first entity is the winning bidder in an auction and the second entity is the seller.

65. (original) A method for providing electronic payment services to users of an Internet auction site, the method comprising the steps of: providing a server operable to register a first entity, the first entity being an auction site bidder; opening a deposit account specific to the first entity; providing a server operable to monitor the status of an Internet auction; at the close of the Internet auction, providing funds from the first entity's deposit account to a second entity where the second entity is a seller on an Internet auction site and the first entity is the winning bidder.

66. (original) The method described in claim 65, comprising the further step of: conducting a preauthorization of a charge to the first entity's credit card; and charging the first entity's card to provide funds to the first entity's deposit account.

67. (original) The method described in claim 65, comprising the further steps of: providing the first entity with the option of obtaining a preferred bond or standard bond.

68. (original) The method described in claim 65, wherein the step of providing funds to the second entity comprises transferring the funds from the first entity's d deposit account to the second entity immediately after the auction closes.

69. (new) An auction method comprising the following steps:
providing either a guarantee for a transaction involving a first entity or a bond to said first entity;
providing a mechanism whereby a second entity can file a claim for coverage under said guarantee or said bond;
receiving payment from a third entity for an advertisement so as to offset at least a portion of the cost of said guarantee or said bond;
conducting an auction; and
indicating the existence of said guarantee or said bond when said first entity is a participant in said first auction.

70. (new) A method of providing bond or guarantee coverage in relation to an online auction, said method comprising the following steps:
receiving information pertaining to a first entity; and
guaranteeing a transaction or bonding said first entity for a first period of time, wherein the end of said first period is determined by reference to a first moment in time, said first moment in time being when a first auction begins or ends.

71. (new) The method in claim 70 wherein said first period

of time comprises a second period of time, said second period of time being a time period during which a claim can be filed.

72. (new) The method in claim 71 additionally comprising the following step:
releasing collateral after said first period of time or said second period of time ends.

73. (new) The method in claim 70 additionally comprising the following step:
allowing submission of a claim only after a third period of time has elapsed, said third period of time comprising a delivery period.

74. (new) The method in claim 70 additionally comprising the following step:
automatically renewing a first bond or first guarantee only if a charge to a first account is successful.

75. (new) An auction method comprising the following steps:
prior to closing of a first online auction, receiving a first application from a first entity, said first application comprising payment or credit information;
opening or verifying a first account related to said first entity; and
upon closing of said first online auction, immediately charging said first account when said first entity is a winning bidder in said first auction.

76. (new) The method in claim 75 additionally comprising at least one step selected from the group consisting of:
obtaining collateral from said first entity in relation to said first account; or

displaying a first image on a computer network evidencing that said first entity has opened said first account.

77. (new) The method in claim 75 additionally comprising at least one step selected from the group consisting of: providing a mechanism through which a first seller can provide a discount when a first bidder has opened an account or has obtained a bond; and/or providing a mechanism through which a first seller can reject a first bid when said first bidder has not opened an account or has not obtained a bond.

78. (new) The online method described in claim 1, wherein said unique identifier comprises a community self-policing mechanism, said community self-policing mechanism further comprising a hyperlink to a first document under the exclusive control of a third entity, said hyperlink thereby providing a mechanism for authenticating the information displayed in said unique identifier.

79. (new) The online method as described in claim 1 wherein said unique identifier comprises an image that is hosted on the server of a third entity such that, if bond or guaranty coverage pertaining to said first entity becomes invalid, said image can be altered by said third entity.

80. (new) The online method as described in claim 1, wherein said unique identifier comprises a first indicator, said first indicator being selected from the group consisting of: an Internet auction number; a name associated with said first entity; or a gauge of how much bond or guaranty coverage is available with respect to a first Internet auction or said first entity.

81. (new) A method for reducing the risk of default by Internet auction users, said method comprising the following steps:

(a) providing a bond or guaranty which is in effect with respect to a first Internet auction, said bond or guaranty providing that, if a first Internet auction user defaults, a second Internet auction user may be contractually entitled to compensation from a third party; and

(b) displaying a first link in a first document, wherein:

said first document is located at a first URL and comprises information pertaining to said first Internet auction; and

said first link links to a second document, said second document being located at a second URL and evidencing that said bond or guaranty is in effect with respect to said first Internet auction, said second document being under the control of said third party.

82. (new) The method in claim 81 additionally comprising at least one step selected from the group consisting of:

(c) providing a community self-policing mechanism, said mechanism comprising a second link, said second link serving to enable an auction community member to report to said third party false representations regarding an Internet auction bond or guaranty;

(d) providing a third document located at a third URL wherein said third document comprises an electronic means whereby said second Internet auction user can submit information to said third party regarding the default of said first Internet auction user and thereby assert a contractual right to compensation by said

third party;

(e) referring to a database containing at least one record pertaining to the past conduct of said first Internet auction user in order to evaluate whether said first Internet auction user is worthy of a bond or guaranty;

(f) receiving a deposit or a source of funds from said first Internet auction user prior to the closure of said first Internet auction; and/or

(g) assessing whether said first Internet auction user's account or accounts with said third party are in good standing in order to evaluate whether said first Internet auction user is worthy of a bond or guaranty.